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FM AMEMBASSY COLOMBO
TO SECSTATE WASHDC IMMEDIATE 9671
INFO AMEMBASSY ATHENS
AMEMBASSY BANGKOK
AMEMBASSY DHAKA
AMEMBASSY ISLAMABAD
AMEMBASSY KATHMANDU
AMEMBASSY LONDON
AMEMBASSY NEW DELHI
AMEMBASSY OSLO
AMEMBASSY TOKYO
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DIA WASHINGTON DC
NATIONAL SECURITY COUNCIL WASHINGTON DC
SECDEF WASHDC
CDRUSARPAC FT SHAFTER HI//APCW/APOP//
CDR USPACOM HONOLULU HI//J3/J332/J52//

UNCLAS COLOMBO 000351

SENSITIVE

STATE FOR SCA (BOUCHER, CAMP), SCA/INS AND PRM
STATE ALSO PASS USAID
AID/W FOR ANE/SCA, DCHA/FFP (DWORKEN, KSHEIN)
AID/W FOR DCHA/OFDA (MORRISP, ACONVERY, RTHAYER, RKERR)
ATHENS FOR PCARTER
BANGKOK FOR USAID/DCHA/OFDA (WBERGER)
KATHMANDU FOR USAID/DCHA/OFDA AND POL (SBERRY)
GENEVA FOR RMA (NKYLOH, NHILGERT, MPITOTTI)
USUN NEW YORK FOR ECOSOC (D MERCADO)
SECDEF FOR OSD - POLICY
PACOM ALSO FOR J-5

E.O. 12958: N/A

TAGS: [MOPS](#) [PREF](#) [PHUM](#) [PGOV](#) [PREL](#) [ASEC](#) [CE](#)

SUBJECT: Northern Sri Lanka SitRep 41

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¶1. (SBU) Summary: Contrary to various reports that the LTTE retains control over just one square kilometer of land in addition to the "safe zone", the Sri Lankan army continues to face heavy fighting a few kilometers west of the "safe zone". The Ministry of Resettlement has instructed two international non-governmental organizations to hand over assets of its projects in the North. Ambassador accompanied the CARE Country Director to a meeting with Basil Rajapaksa to answer charges published on the MOD website that CARE was a "harbor for terrorists." Rajapaksa agreed to have the article removed from the website by March 30. The number of new arrivals into Government-controlled territory decreased on March 25-26. Embassy thanks Deputy Kathmandu RefCoord Eileen Sen for her tremendous help during a six-week TDY that ends today. End Summary.

Conflict Area Shrinks... but Not That Much

¶2. (SBU) According to the Government-owned newspaper Daily News, Defense Affairs Spokesman Minister Keheliya Rambukwella attests the LTTE has been confined to just 21 square kilometers, including the "safe zone" of 20 square kilometers (post believes actual land mass of the safe zone is 14 square kilometers). While there are credible reports that fighting is ongoing within a few hundred meters of the safe zone, post believes the LTTE continues to defend a larger amount of land. Separate reports indicate LTTE still holds some 35 square kilometers. In addition, the Government also detailed on March 26 ongoing heavy fighting in eastern Puthukkudiyiruppu (PTK), which is a few kilometers west of the conflict zone.

Government Asks INGOs to Hand over Assets

13. (SBU) The Ministry of Resettlement provided two international non-governmental organizations, ACTED and Danish Refugee Council (DRC), with an agreement template they are instructed to sign by March 30 in order to continue implementing projects in the North. Under its terms and conditions, the INGOs must hand over all funds, stocks, and assets of their projects to the Ministry of Resettlement which would directly implement the projects. In addition, this agreement would prevent the INGOs from reporting directly to donors.

Should the Government continue to press INGOs to sign the agreement, the organizations would be unable to meet contractual obligations and would not continue the projects. The INGOs advise that the Government has proposed these terms on three prior occasions, but abandoned the effort after donor and international pressure. Embassy will continue to monitor and will raise with the Government.

CARE Meets with GSL to Allay Concerns

14. (SBU) After a highly disturbing article appeared on the Ministry of Defense website on March 23 alleging that CARE was a "harbor for terrorists," Ambassador arranged for CARE Country Director Nick

Osborne to meet with Basil Rajapaksa on March 27 and accompanied him to the meeting. Osborne rebutted allegations that a local CARE staffer recently killed in the safe zone was an LTTE cadre. He also said CARE is cooperating fully with a GSL investigation into whether a CARE local staffer used a CARE vehicle to smuggle explosives out of the Vanni. The worker and the vehicle remain trapped in the safe zone, and therefore cannot be turned over to authorities. Rajapaksa expressed appreciation for the clarifications. It was agreed that Osborne would write a letter to Rajapaksa to explain these issues in more detail, which Rajapaksa will share with MOD and other appropriate authorities. Rajapaksa undertook to have the article removed from the MOD website by March 30.

Reported Civilian Casualties and Outflow

15. (SBU) Pro-LTTE website Tamilnet.org reports 46 civilians were killed in the conflict area, including 17 children, and 96 injured on March 26. (Note: Tamilnet reports cannot be confirmed and are frequently exaggerated.) The Government reports 165 civilians entered Government-controlled territory on March 25-26, a drop from the higher numbers of new arrivals seen in the last ten days.

Goodbye and Thanks to Eileen

16. (U) Today marks the last day of a six-week TDY in Colombo by Kathmandu Deputy Refugee Coordinator Eileen Sen. Eileen has prepared most of the sitreps over that period and made a tremendous contribution. Thanks Eileen!

BLAKE